

**REMARKS/ARGUMENTS**

Reconsideration and allowance of this application are respectfully requested.

Currently, claims 1-20 are pending in this application.

**Objections to the Claims:**

Claim 1, 8, 12, 14 and 15 were objected to because of an informality. Applicant has adopted the helpful suggestion provided by the Examiner. Applicant thus respectfully requests that the objection to the claims be withdrawn.

**Rejections Under 35 U.S.C. §103:**

Claims 1, 5-8, 11-15 and 18-20 were rejected under 35 U.S.C. §103 as allegedly being unpatentable over Allen (WO '311) and Lang et al (U.S. '262, hereinafter "Lang"). Applicant respectfully traverses this rejection.

In order to establish a *prima facie* case of obviousness, all of the claim limitations must be taught or suggested by the prior art and there must be some suggestion or motivation either in the references themselves or in the knowledge generally available to one of ordinary skill in the art to modify the reference or to combine reference teachings.

The combination of Allen and Lang fails to teach or suggest all of the claim limitations. For example, the combination fails to teach or suggest a plurality of second (or return) terminals that are installed spatially away from each other and spatially away from a first terminal executing rental of a content program, one of the second terminals (i.e., the one to which the content program is returned) disabling reading of the content program and being unable to execute rental of the content program.

A user in Allen's system returns the VHS cassette tape or DVD back to manufacturing center 20 at which a recording to be rented can be produced. For example, page 40, lines 24-27 of Allen states "As described above in the case of a rental, this entire transaction will not be closed or completed until the prerecorded videocassette is returned to the inventory at the retail outlet 20." Moreover, page 13, lines 16-20 of Allen states "The tapes are retrieved from this storage cabinet 130 and loaded under robotic control into the high-speed VHS recorder within unit 115. Also included in the high-speed VHS recorder unit is the ability to record and refurbish tapes which are returned after rental by the consumer."

A user in Lang's system returns the VHS cassette tape or DVD back to the same video store at which the cassette tape or DVD was originally rented. For example, Lang discloses returning cassettes to stock within the store on col. 4, lines 57-59.

Accordingly, even if the teachings of Allen and Lang were combined as proposed by the Office Action, the combination would not have taught or suggested the above noted limitations. Moreover, modification of the Allen system to arrive at the present invention would be inconsistent with its explicit teachings that the medium (VHS tape cassette or DVD) carrying the rented recording is retained, recorded, refurbished (3R capability) and loaded into the robotic storage cabinet 130 for future use. (See page 13, lines 18-20 and page 40, line 1). The reason that the VHS tape cassettes or DVDs in the Allen system are recovered at the manufacturing center is so that they can be re-used (i.e., re-recorded for re-rental). Accordingly, Allen's system teaches away from the claimed invention since an essential part of the Allen system is to have the VHS cassette tapes or DVDs returned to the manufacturing center 20 for re-use. Similarly, Lang discloses

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returning VHS tape cassettes or DVDs back to the stock of the same video store. This will enable the returned stock to be re-used. Neither Lang nor Allen thus appreciates the benefits of convenience provided to the user via the system of the present invention in which a plurality of second (or return) terminals which are spatially apart from each other and spatially apart from the first terminal are available for return. (See, e.g., page 26, lines 9-15 of the originally-filed specification). Instead, the return in Allen's or Lang's system is to the same place. One of ordinary skill in the art would therefore not have been motivated to combine the teachings of Allen and Lang to arrive at the present invention.

Accordingly, Applicant respectfully submits that claims 1, 5-8, 11-15 and 18-20 are not unpatentable over Allen and Lang and respectfully requests that the rejection of these claims under 35 U.S.C. §103 be withdrawn.

Claims 2-3, 9-10 and 16-17 were rejected under 35 U.S.C. §103 as allegedly being unpatentable over Allen in view of Lang and further in view of Jacobi et al (U.S. '722, hereinafter "Jacobi"). Claim 4 was rejected under 35 U.S.C. §103 as allegedly being unpatentable over Allen in view of Lang and further in view of Spies et al (U.S. '314, hereinafter "Spies").<sup>1</sup> Applicant respectfully traverses these rejections. Since each of these claims depends from one of independent claims 1, 8 and 15, all of the comments made above apply equally to these dependent claims. Neither Jacobi nor Spies remedies the above described deficiencies of Allen and Lang. Accordingly, Applicant respectfully requests that the above rejections under 35 U.S.C. §103 be withdrawn.

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<sup>1</sup> The Office Action indicates that U.S. Patent No. 6,055,314 is "Simon et al." However, the first named inventor of this reference is "Spies."

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**Conclusion:**

Applicant believes that this entire application is in condition for allowance and respectfully requests a notice to this effect. If the Examiner has any questions or believes that an interview would further prosecution of this application, the Examiner is invited to telephone the undersigned.

Respectfully submitted,

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